

ASSEMBLY HIGHER EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2106

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 5, 2020

The Assembly Higher Education Committee reports favorably Assembly Bill No. 2106 with committee amendments.

As amended, this bill allows certain collegiate student-athletes to earn compensation for the use of their name, image, or likeness. Under the bill, a four-year institution of higher education will be prohibited from upholding any rule, requirement, standard, or other limitation that prevents a student of that institution participating in intercollegiate athletics from earning compensation as a result of the use of the student's name, image, or likeness. Earning compensation from the use of a student's name, image, or likeness will not affect the student's institutional scholarship eligibility.

The bill specifies, however, that a student is prohibited from earning compensation as a result of the use of the student's name, image, or likeness in connection with any person, company, or organization related to or associated with the development, production, distribution, wholesaling, or retailing of: adult entertainment products and services; alcohol products; casinos and gambling, including sports betting, the lottery, and betting in connection with video games, on-line games, and mobile devices; tobacco and electronic smoking products and devices; prescription pharmaceuticals; controlled dangerous substances; and weapons, including firearms and ammunition.

Under the bill, a four-year institution of higher education, an entity whose purpose includes supporting or benefitting the institution or its athletic programs, or any officer, director, or employee of the institution or entity, is prohibited from compensating or causing compensation to be directed to a current or prospective student-athlete participating in intercollegiate athletics for use of the student's name, image, or likeness.

The bill provides that a student-athlete who enters into a contract providing compensation to the student-athlete for use of his name, image, or likeness must disclose the contract to an official of the four-year institution of higher education, to be designated by the institution. An institutional team contract may not prevent a student-athlete from using the athlete's name, image, or likeness for

a commercial purpose when the athlete is not engaged in official team activities.

As amended and reported by the committee, this bill is identical to Senate Bill No. 971, which also was amended and reported by the committee on this same date.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee amended the bill to:

1. Specify that a student is prohibited from earning compensation as a result of the use of the student's name, image, or likeness in connection with prescription pharmaceuticals;
2. Remove language concerning athletic associations, conferences, or other groups or organizations with authority over intercollegiate athletics, including the National Collegiate Athletic Association; and
3. Add language prohibiting an entity whose purpose includes supporting or benefitting the institution or its athletic programs from compensating current or prospective student-athletes.